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ALBANIA

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Sharing Valuable Lending Lessons



With a goal of servicing 10,000 clients by 2007, loan officers from Albanian Partner in Microcredit (Partneri Shqiptar per Mikrokredi, or PSHM) needed to dramatically increase their caseload and improve their marketing techniques.

PSHM began operating in Albania as a microcredit program in 1999 with USAID support. By 2004, PSHM had 30 loan officers in 10 offices across Albania, servicing 3,000 microenterprises.

Each loan officer averaged 140 clients. A key factor to reach the challenging goal of 10,000 clients was to significantly increase the

number serviced by each loan officer.

“Our chance to visit microcredit lenders in Bosnia gave us a lot of good ideas that made us more productive,” said Emila Cangu (left), senior loan officer from PSHM’s Fushe Kruje office, visiting a baker who successfully started and expanded her business through microcredit.

After attending two USAID-supported trainings in Bosnia-Herzegovina in 2004 and 2005, loan officers suggested changes in operating procedures and implemented techniques for improving individual performance. Heavy penalties for late repayments were replaced with more reasonable late fees. Instead of relying on the branch managers to make credit decisions, procedures were changed so that loan officers review loan applications and become involved in the decision making process. Loan officers organized marketing presentations for groups of potential clients, saving time previously lost contacting one prospect at a time. And better processes for monitoring clients resulted in fewer clients falling into delinquency.

With these measures, loan officers who participated in the training soon averaged 270 clients each and mentored eight new officers with their valuable lessons learned — making it possible for PSHM to celebrate its 10,000th client in late 2006.